



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-889]

Diethyl Terephthalate from the Republic of Korea: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) determines that diethyl terephthalate (DOTP) from the Republic of Korea (Korea) is being, or is likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is April 1, 2015, through March 31, 2016. For information on the estimated weighted-average dumping margins of sales at LTFV, *see* the “Final Determination” section of this notice.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.]

FOR FURTHER INFORMATION CONTACT: Laurel LaCivita or Shanah Lee, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4243 or (202) 482-6386, respectively.

SUPPLEMENTARY INFORMATION:

Background

On February 3, 2017, the Department published the *Preliminary Determination* of sales at LTFV of DOTP from Korea.<sup>1</sup> The petitioner in this investigation is Eastman Chemical

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<sup>1</sup> *See Diethyl Terephthalate from the Republic of Korea: Affirmative Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 82 FR 9195 (February 3, 2017) (*Preliminary Determination*) and accompanying memorandum, “Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Diethyl Terephthalate from the Republic of Korea” (Preliminary Decision Memorandum).

Company. The mandatory respondents in this investigation are Aekyung Petrochemical Co., Ltd. (AKP) and LG Chem Ltd. (LG Chem). Both AKP and LG Chem participated in this investigation. A complete summary of the events that occurred since publication of the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum, which is dated concurrently with, and hereby adopted by, this notice.<sup>2</sup>

The Issues and Decision Memorandum is a public document and is available electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). Access is available to registered users at <https://access.trade.gov> and to all parties in the Central Records Unit, Room B-8024 of the Department's main building. In addition, a complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and electronic version are identical in content.

#### Scope of the Investigation

The product covered by this investigation is DOTP from Korea. For a complete description of the scope of this investigation, *see* Appendix I.

#### Analysis of Comments Received

All issues raised in the case briefs and rebuttal briefs submitted by interested parties in this proceeding are discussed in the Issues and Decision Memorandum. A list of the issues raised by parties and responded to by the Department in the Issues and Decision Memorandum is attached at Appendix II.

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<sup>2</sup> See the Department's memorandum, "Issues and Decision Memorandum for the Final Determination in the Antidumping Duty Investigation of Dioctyl Terephthalate from the Republic of Korea," dated concurrently with this notice (Issues and Decision Memorandum).

### Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), the Department verified the sales and cost data reported by AKP and LG Chem for use in our final determination. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by the respondents.

### Changes Since the *Preliminary Determination*

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for AKP and LG Chem since the *Preliminary Determination*. These changes are discussed in the “Margin Calculations” section of the Issues and Decision Memorandum.

### Final Negative Determination of Critical Circumstances

On November 15, 2016, the petitioner timely filed a critical circumstances allegation, pursuant to section 733(e)(1) of the Act and 19 CFR 351.206(c)(1), alleging that critical circumstances exist with respect to imports of DOTP from Korea.<sup>3</sup> We find that critical circumstances do not exist with respect to AKP and LG Chem.<sup>4</sup> For a complete discussion of this issue, see the “Final Negative Determination of Critical Circumstances” section of the Issues and Decision Memorandum.

### All-Others Rate

In accordance with section 735(c)(1)(B)(i)(I) of the Act, the Department calculated a dumping margin for the individually investigated exporters/producers of the subject merchandise. Consistent with sections 735(c)(1)(B)(i)(II) and 735(c)(5) of the Act, the Department also calculated an estimated “all-others” rate for exporters and producers not

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<sup>3</sup> See letter from Petitioner, “Re: Dioctyl Terephthalate (“DOTP”) from Korea; Critical Circumstances Allegation,” dated November 15, 2016 (Critical Circumstances Allegation).

<sup>4</sup> See *Preliminary Determination*, 82 FR at 9195.

individually investigated. Section 735(c)(5)(A) of the Act provides that the “all-others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for individually investigated exporters and producers, excluding any margins that are zero or *de minimis* or any margins determined entirely under section 776 of the Act. We calculated the all-others rate using a weighted average of the dumping margins calculated for the mandatory respondents using each company’s publicly-ranged values for the merchandise under consideration, pursuant to section 735(c)(5)(A) of the Act, as referenced in the “Final Determination” section below.<sup>5</sup>

#### Final Determination

The Department determines that the weighted-average dumping margins to be:

Exporter/Producer	Weighted-Average Margins (percent)
Aekyung Petrochemical Co., Ltd.	4.08
LG Chem, Ltd.	2.71
All-Others	3.69

#### Disclosure

In accordance with 19 CFR 351.224(b), we intend to disclose the calculations performed to parties in this proceeding within five days of any public announcement of this notice.

#### Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue the suspension of liquidation of all appropriate entries of

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<sup>5</sup> See memorandum to the file, “Dioctyl Terephthalate from the Republic of Korea: Calculation of All - Others’ Rate in the Final Determination,” dated concurrently with this notice.

DOTP from Korea, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after February 3, 2017, the date of publication of the *Preliminary Determination* of this investigation in the *Federal Register*. Further, the Department will instruct CBP to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price as shown above.

#### International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation of DOTP from Korea no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

#### Notification Regarding Administrative Protective Orders (APO)

This notice serves as the only reminder to parties subject to an APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation subject to sanction.

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

*Dated: June 20, 2017.*

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Gary Taverman  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations

## **Appendix I**

### **Scope of the Investigation**

The merchandise covered by this investigation is dioctyl terephthalate (DOTP), regardless of form. DOTP that has been blended with other products is included within this scope when such blends include constituent parts that have not been chemically reacted with each other to produce a different product. For such blends, only the DOTP component of the mixture is covered by the scope of this investigation.

DOTP that is otherwise subject to this investigation is not excluded when commingled with DOTP from sources not subject to this investigation. Commingled refers to the mixing of subject and non-subject DOTP. Only the subject component of such commingled products is covered by the scope of the investigation.

DOTP has the general chemical formulation  $C_6H_4(C_8H_{17}COO)_2$  and a chemical name of “bis (2-ethylhexyl) terephthalate” and has a Chemical Abstract Service (CAS) registry number of 6422-86-2. Regardless of the label, all DOTP is covered by this investigation.

Subject merchandise is currently classified under subheading 2917.39.2000 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under subheadings 2917.39.7000 or 3812.20.1000 of the HTSUS. While the CAS registry number and HTSUS classification are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

**Appendix II**  
**List of Topics Discussed in the Issues and Decision Memorandum**

I. Summary

- II. Background
- III. Scope of the Investigation
- IV. Final Negative Determination of Critical Circumstances
- V. Margin Calculations
- VI. Discussion of the Issues

- Comment 1: Whether the Department's Quarterly Cost Methodology Justifies Comparing Sales on a Quarterly Basis
- Comment 2: Whether AKP's Reporting Supports the Department's Decision to Rely on Quarterly Costs for the Final Determination
- Comment 3: Whether to Adjust the Reported Cost of Purchases of Raw Material 2-Ethyl Hexanol (2-EH)
- Comment 4: The Structure of AKP's Paper Transactions and the Basis for U.S. Price for AKP's Channel 3 and 4 Sales
- Comment 5: AKP's Affiliate's Financial Statements and Indirect Selling Expenses Calculation
- Comment 6: Duty Drawback for AKP's U.S. Sales
- Comment 7: LG Chem's Duty Drawback Adjustment
- Comment 8: LG Chem's Constructed Export Price (CEP) Offset
- Comment 9: Reported Currency for LG Chem's Bank Charges
- Comment 10: LG Chem's General and Administrative Expense (G&A) Ratio
- Comment 11: LG Chem's Raw Material and Variable Overhead Costs

VII. Recommendation

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